



## Fiscal Estimate Narratives

OSER 6/19/2015

LRB Number	15-1740/1	Introduction Number	SB-205	Estimate Type	Original
<b>Description</b> Ratification of the agreement negotiated between the state of Wisconsin and the Wisconsin Law Enforcement Association, for the 2013-15 biennium, covering employees in the public safety collective bargaining unit, and authorizing an expenditure of funds					

### Assumptions Used in Arriving at Fiscal Estimate

This fiscal estimate assumes that wage increases will be effective June 28, 2015, and therefore all 2013-15 biennium costs will consist of "back pay" on the wage increases. Costs are estimated based on a snapshot of bargaining unit employees taken in April 2015.

All costs and savings are split as 93.4% SEG funded, and 6.6% FED funded, per State Patrol bargaining unit position funding information provided by the Dept of Transportation. The total 2013-2015 biennium costs and savings are shown on the worksheet, rather than "annualized" amounts as indicated by the headers.

The fiscal estimate for this Agreement incorporates a higher rate for the cost of fringes (25.15%) than the rate used for other labor agreements and general employees (15.75%). The difference reflects the greater contributions by the state to the WRS for this bargaining unit of protective occupation employees.

Savings to the State on health insurance premiums begin after implementation of the labor Agreement. Health insurance premiums savings will begin in July 2015, and therefore will be prospective, only, with no savings within the 2013-15 biennium. Prospective health insurance savings will accrue for both represented and non-represented State Patrol-titled employees, due to s. 40.05 (4)(at), Wis. Stats., which aligns non-represented State Patrol health premiums with the collectively bargained premiums for the public safety unit, for those employed before July 2011. The annualized projected savings for both represented and non-represented State Patrol is \$697,716.

### Long-Range Fiscal Implications

2015-2017 Per year fiscal impact:

\$1,386,930 State Operations - Salaries and Fringes

\$0 GPR State Cost

\$697,716 per year savings to the state on health insurance premiums

**WAGE INCREASES IN 2013-2015 LABOR AGREEMENT**  
**Wisconsin Law Enforcement Association Unit (63)**

<u>SUMMARY TOTALS</u>		ALL FUNDS WITHOUT FRINGE	ALL FUNDS WITH FRINGE	GPR WITH FRINGE	OTHER FUNDS WITH FRINGE
FISCAL YEAR					
Total FTE:	365.00				
Base Payroll:	\$18,133,687				
<b>2013-2014</b>		1st Year Cost \$479,666	\$600,302	\$0	\$600,302
		1st Year Cost in 2nd Year \$542,053	\$678,380	\$0	\$678,380
<b>2014-2015</b>		2nd Year Cost \$561,559	\$702,792	\$0	\$702,792
<b>Biennial Total</b>		<b>\$1,583,278</b>	<b>\$1,981,474</b>	<b>\$0</b>	<b>\$1,981,474</b>

HEALTH INSURANCE SAVINGS TO THE STATE

Beginning with implementation of the labor Agreement, State Patrol-titled represented and nonrepresented employees will pay increased monthly health insurance premiums equal to the premiums paid by general nonrepresented employees, generating savings to the state. Since health insurance savings to the state depend on the date of implementation of the Agreement, the projected savings shown here are per future year beyond the 2013-15 biennium. Calculation detail is provided on the last page.

	Health Insurance Savings Per Future Year
WLEA bargaining unit members:	\$555,780
State Patrol nonrepresented officers:	\$141,936
Total:	\$697,716

**WAGE INCREASES IN 2013-2015 LABOR AGREEMENT**  
**Wisconsin Law Enforcement Association Unit (63)**

**FISCAL YEAR INCREASES:**

**A) FY14 - General Wage Adjustment of 3.0% for each employee. Includes lump sum payment for all hours in pay status back to June 30, 2013.**

<u>FISCAL YEAR</u>	<u>ALL FUNDS WITHOUT FRINGE</u>	<u>ALL FUNDS WITH FRINGE</u>	<u>GPR WITH FRINGE</u>	<u>OTHER FUNDS WITH FRINGE</u>
2013-2014	1st Year Cost \$479,666	\$600,302	\$0	\$600,302
	1st Year Cost in 2nd Year \$542,053	\$678,380	\$0	\$678,380
2014-2015	2nd Year Cost \$0	\$0	\$0	\$0
<b>Biennial Total</b>	<b>\$1,021,719</b>	<b>\$1,278,682</b>	<b>\$0</b>	<b>\$1,278,682</b>

**B) FY15 - General Wage Adjustment of 3.0% for each employee. Resulting pay rates will be rounded up at the 2nd decimal. Includes lump sum payment for all hours in pay status back to June 29, 2014.**

2013-2014	1st Year Cost \$0	\$0	\$0	\$0
	1st Year Cost in 2nd Year \$0	\$0	\$0	\$0
2014-2015	2nd Year Cost \$561,559	\$702,792	\$0	\$702,792
<b>Biennial Total</b>	<b>\$561,559</b>	<b>\$702,792</b>	<b>\$0</b>	<b>\$702,792</b>

**WAGE INCREASES IN 2013-2015 LABOR AGREEMENT**  
**Wisconsin Law Enforcement Association Unit (63)**

**HEALTH INSURANCE SAVINGS TO THE STATE**

The tentative agreement with the WLEA includes the provision that starting with health insurance premium deductions occurring after implementation of the labor Agreement, all WLEA bargaining unit members will pay the same health insurance premiums as nonrepresented general employees. The same health insurance premiums will also then apply to nonrepresented State Patrol Sergeants, Lieutenants, Captains, Majors and Colonels due to the provisions at s. 40.05 (4)(at), Wis. Stats., which align their premiums with the collectively bargained premiums for the public safety unit.

The higher employee health insurance premiums won't take effect until the Agreement is implemented and are prospective, only. The earlier the implementation, the greater the savings. Regardless of date of implementation, savings to the state will continue to accrue beyond the 2013-2015 biennium so long as the 3-Tier health insurance model continues to be used.

Following is an estimate of annual savings to the state if State Patrol employees begin to pay the higher health insurance premiums.

	<u>Single</u>	<u>Family</u>	<u>State Patrol Health Contracts</u>	<u>State Annual Savings</u>
Current monthly premium for State Patrol	\$31.00	\$78.00	Single - WLEA 79	\$57,828
2015 regular Tier 1 premiums	\$92.00	\$230.00	Family - WLEA 273	\$497,952
Monthly savings to the state (difference)	\$61.00	\$152.00	Single - Nonreps 12	\$8,784
Annual savings to the state (12 months)	\$732.00	\$1,824.00	Family - Nonreps 73	\$133,152
				<u>\$697,716</u>

Note. Actual savings to the state will increase in 2016 and future years if employee health insurance premiums continue to increase.

Subtotal - WLEA	\$555,780
Subtotal - Nonreps	\$141,936

## Fiscal Estimate Worksheet - 2015 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 15-1740/1	<b>Introduction Number</b> SB-205	
<b>Description</b> Ratification of the agreement negotiated between the state of Wisconsin and the Wisconsin Law Enforcement Association, for the 2013-15 biennium, covering employees in the public safety collective bargaining unit, and authorizing an expenditure of funds		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>		
<b>II. Annualized Costs:</b>		
	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$1,981,474	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
<b>TOTAL State Costs by Category</b>	<b>\$1,981,474</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>		
GPR	0	
FED	130,777	
PRO/PRS		
SEG/SEG-S	1,850,697	
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	State	Local
NET CHANGE IN COSTS	\$1,981,474	\$
NET CHANGE IN REVENUE	\$	\$
<b>Agency/Prepared By</b>		
<b>Authorized Signature</b>		<b>Date</b>
OSER/ John Wiesman (608) 266-1418		6/19/2015
Danielle Carne (608) 266-0047		